APTA
Federal Transit Administration

State of Good Repair Database

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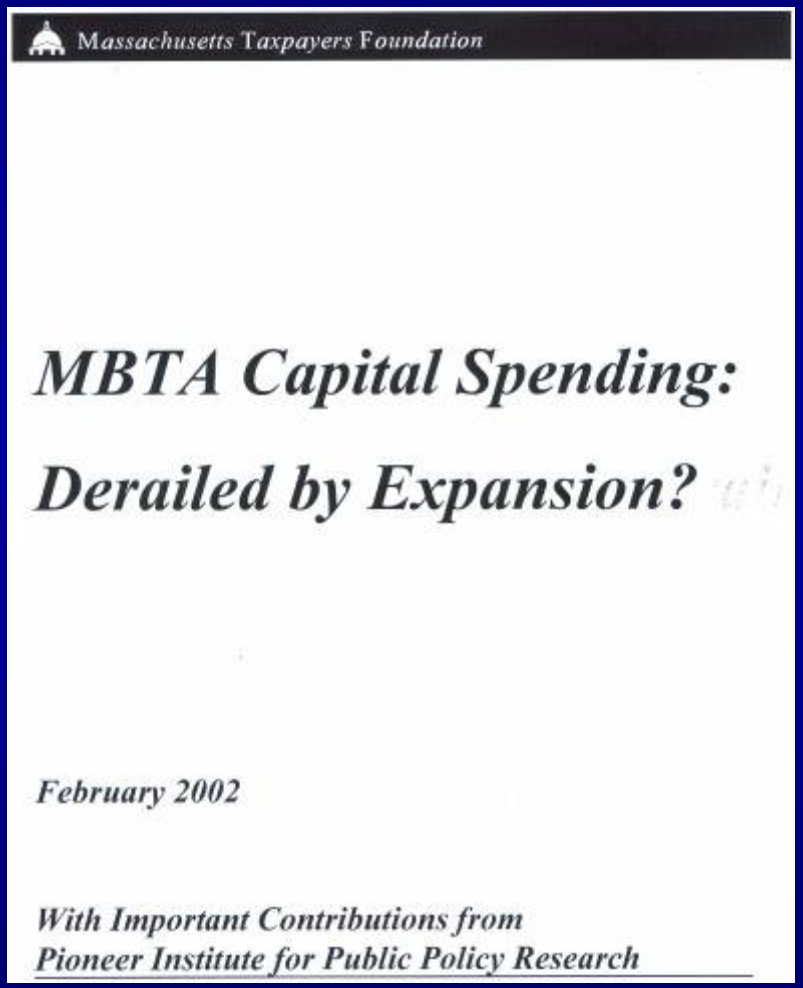
MBTA Profile

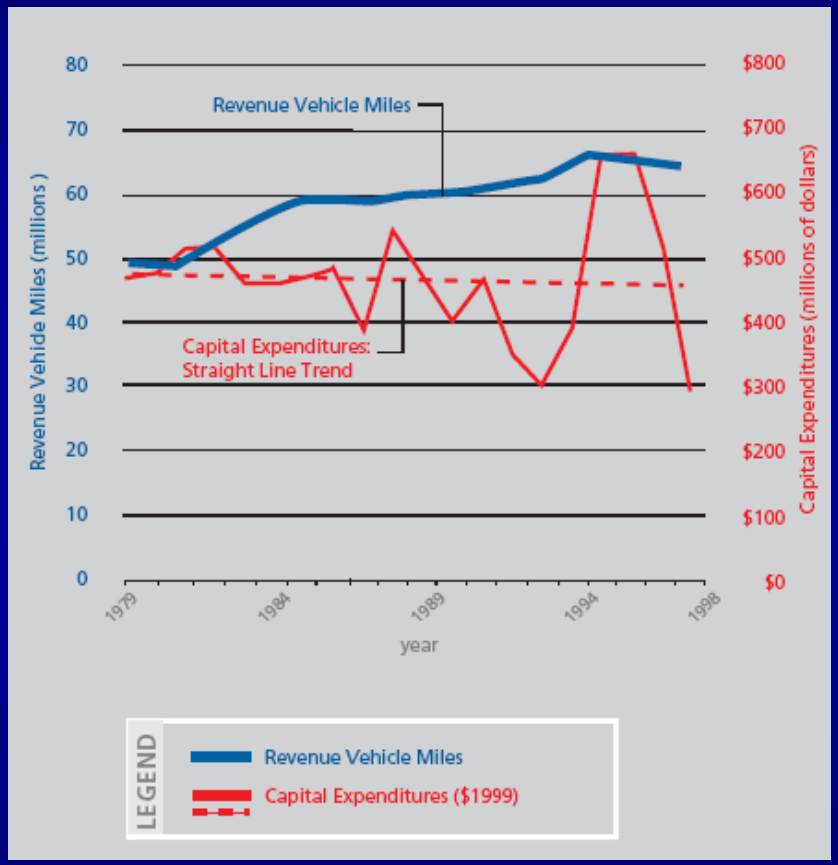
- 5th largest transit property
- Multimodal public authority
- 175 communities served
- 1.1 million passengers per day
- 55% of all work trips to Boston are made on the MBTA
- 60% of the commuters traveling to Boston's financial district ride the T

Background :State of Good Repair Initiative: 2002 – Massachusetts Taxpayers Foundation



- Capital needs of antiquated system are growing faster than revenues
- Elimination of unlimited state subsidies under forward funding changed the way capital projects are evaluated
- Maintenance and modernization of the current system must be the top priority
- Debt burden limits the ability of MBTA to fund capital program
- Too much reliance on debt financing and limited “paygo” capital

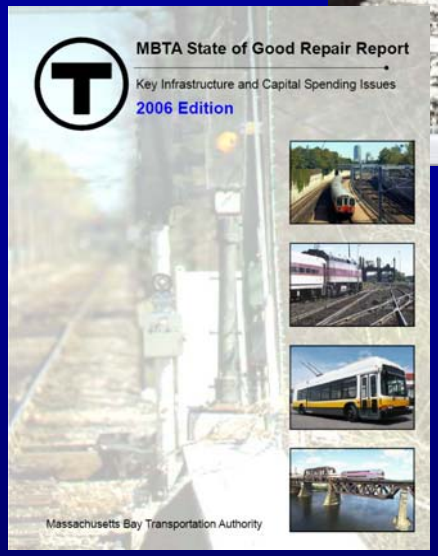
What we learned: State of Good Repair Database Clearly Defined the Investment Backlog



MBTA Vehicle Miles and Capital Expenditures

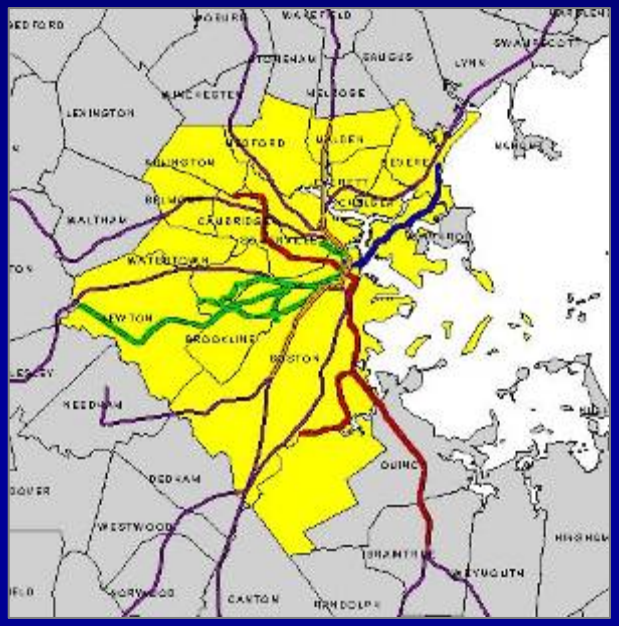
- "Assessed current state of capital assets
- System identifies and prioritizes capital renewal and replacement needs
- Estimated backlog ~ $2.7 billion
- Annual capital spending of $620 million needed to eliminate the backlog in 20 years
- SGR investment rate
  - 94% of FY2008 – 2012 Capital Investment Program (CIP)

Background :State of Good Repair Initiative: 2003 – Capital Spending and Infrastructure Report



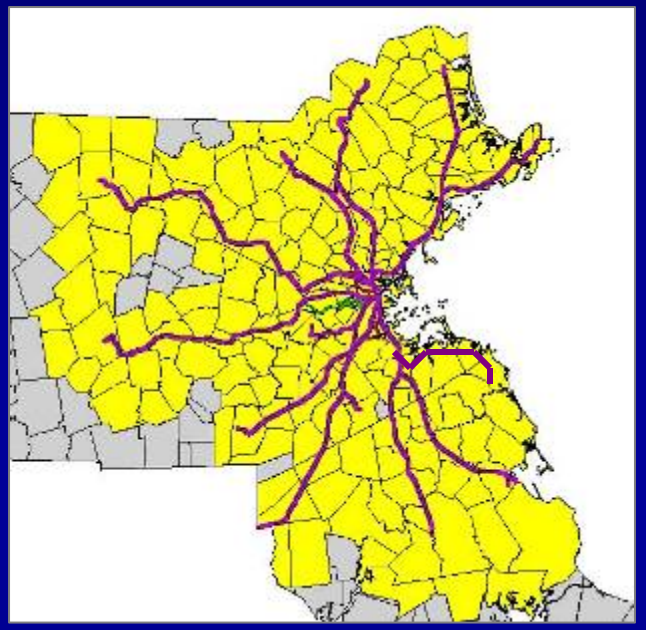
- State of Good Repair (SGR) study assessed the condition of MBTA's capital assets
- SGR Database provides a uniform and equitable system for identifying and prioritizing capital needs
- Assets within their useful life are in a State of Good Repair
- Backlog of capital investments needed to achieve SGR estimated at $2.7 billion
- The State of Good Repair Report is now periodically updated

SGR Database Drives Investment into the Core System



Core Service Areas:
Bus, Subway, Silver Line

75%



Suburban Service Areas:
Commuter Rail

25%

Defining the Backlog is Important to Maintaining the Transit System

- The Authority has a responsibility to be good stewards of the system
- State of Good Repair backlog of approximately $2.7 billion
- The Authority is committed to making the $470 million annual reinvestment needed just to maintain the current state of good repair backlog
- Failure to make this annual investment will result in a downward spiral of increasingly unreliable service and declining ridership

The required infrastructure investment far surpasses the Authority's financial resources

MBTA Capital Needs: Tracks

Before

After

Highland Branch

MBTA Capital Needs: Stations

Before

After

Butler Station

MBTA Capital Needs: Stations

Before

After

Boylston Station

MBTA Capital Needs: Stations

After renovation

Boylston Station

MBTA Capital Needs: Stations

Before

After

Symphony Station

MBTA Capital Needs: Tunnels

Before

After

New Equipment for Pump Rooms

MBTA Capital Needs: Power

Before

After

Substation Control Battery Sets

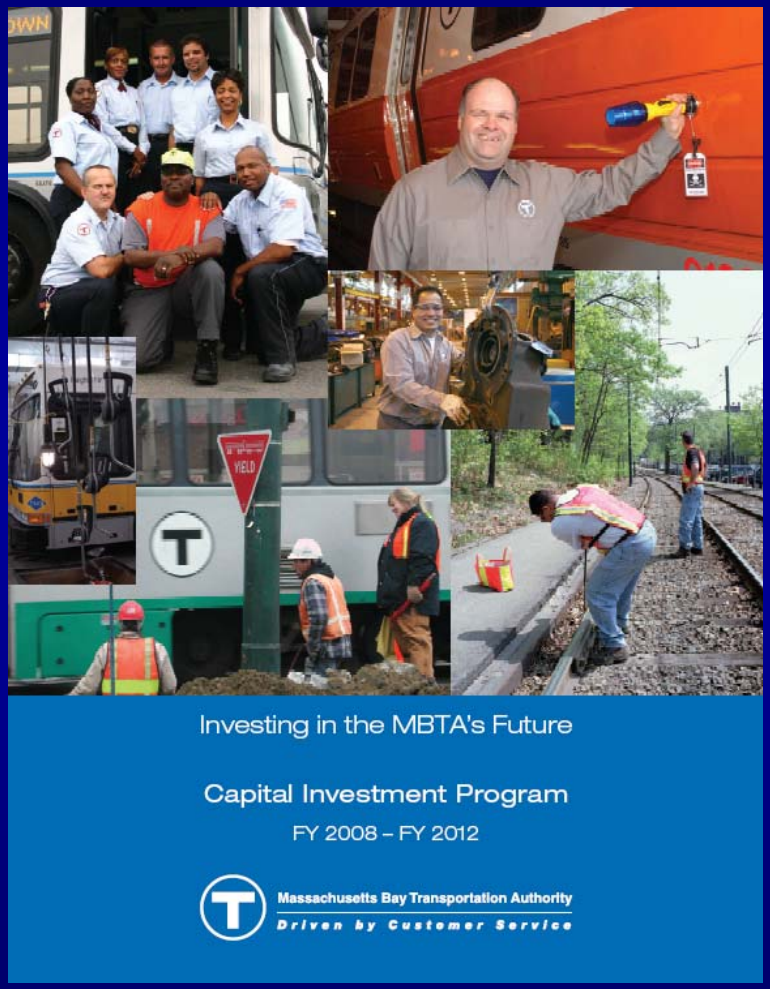
MBTA Capital Needs: Power

Before

After

Substation DC Breakers

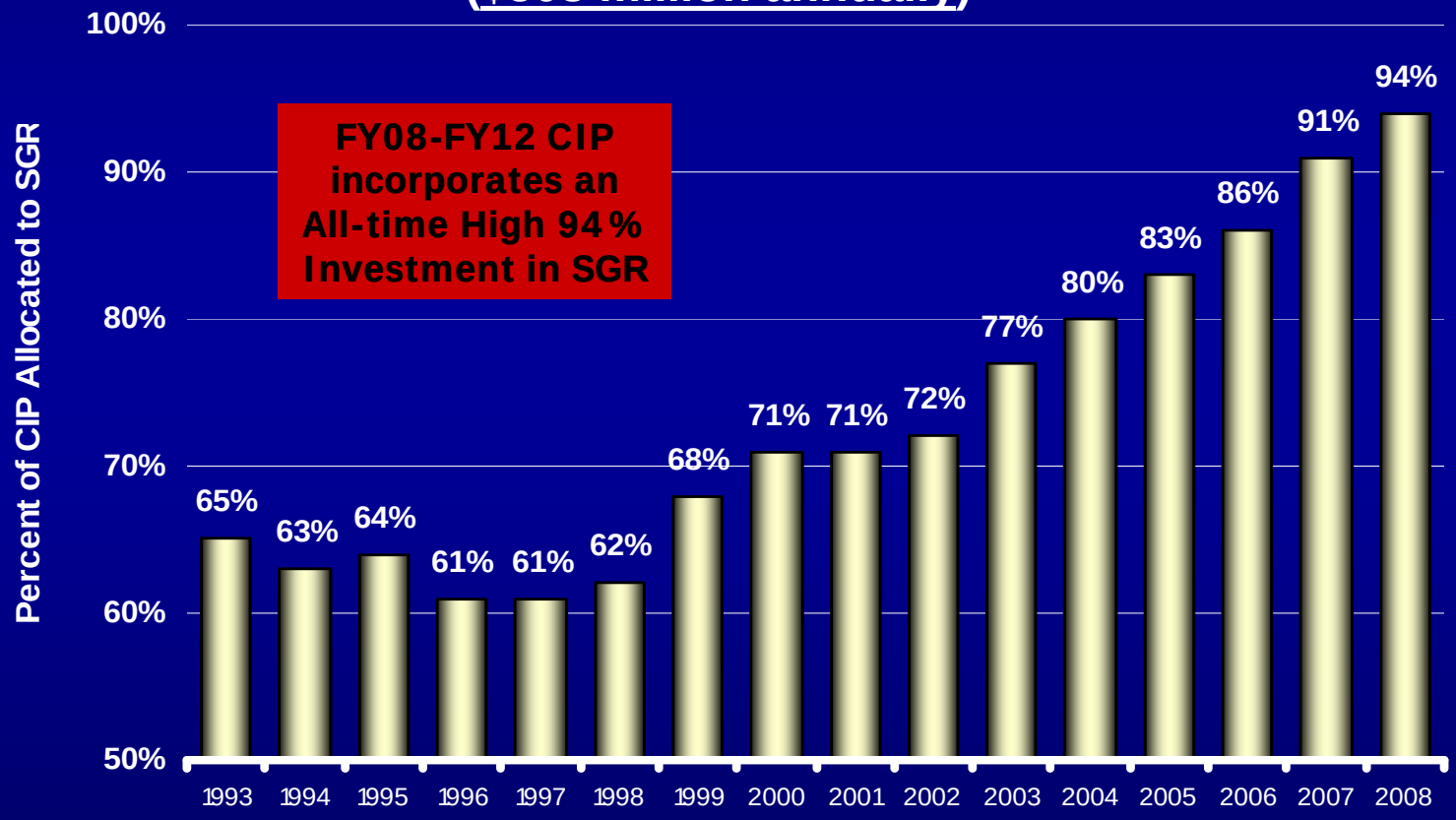
"Fix - it – First:" SGR Provides a Basis for Prioritizing Infrastructure Projects



- The Authority prioritizes capital reinvestment in the core system before expansion
  - A "fix-it-first" strategy
  - Expansion places a strain on limited capital and operating revenues
- The Commonwealth has committed to pay capital costs for any future system expansion
  - No similar commitment for increased operating costs
- SGR database provides a basis for scoring and prioritizing investments in the core system
  - America's oldest subway

SGR Funding Takes Precedence in the Capital Investment Program

FY2008-FY2012 CIP Focus: SGR $2.542 billion over 5 years ($508 million annually)

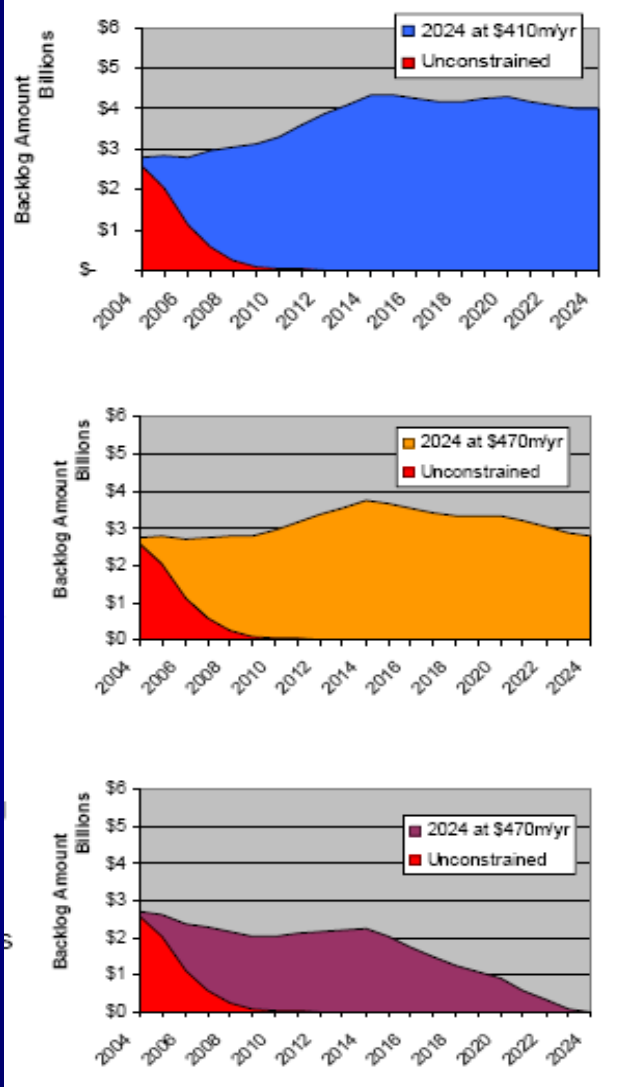


Funding the Backlog of Infrastructure Investment

Current State of Good Repair backlog – $2.7 billion*

- Chart 1 – Investing $410 million per year increases backlog to $4 billion in 2024
- Chart 2 – Investing $470 million annually maintains the backlog at $2.7 billion
- Chart 3 – An investment of $620 million per year is necessary to eliminate the backlog by 2024

*Analysis performed in 2006



State of Good Repair Conclusion

- No transit system can meet the “ideal” system condition
  - We can make more effective decisions
  - We can optimize our investments
- The Authority is currently upgrading and increasing the functionality of the State of Good repair Database
  - Updated cost drivers
  - Ability to calculate the impact of State of Good Repair investments on the operating budget